

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Global Reseller Expedited Package Contracts 2  
(MC2013-51)  
Negotiated Service Agreement

Docket No. CP2014-71

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE NOTICE OF FILING  
MODIFICATION TO A NEGOTIATED SERVICE AGREEMENT  
(August 19, 2015)

The Public Representative hereby provides comments pursuant to Order No. 2665.<sup>1</sup> In that Order, the Commission established the above referenced docket to receive comments from interested persons on a Postal Service Notice of Filing of a Modification to a Negotiated Service Agreement.<sup>2</sup>

Prices and classifications not of general applicability for GREP contracts were previously established by Governors' Decision No. 10-1, issued March 24, 2010.<sup>3</sup> In Order No. 1746, Commission approved the addition of the GREP Contracts 2 product (MC2013-51) to the competitive products list, and included a GREP Contracts 2 contract (CP2013-64) designated as a baseline agreement within the product.<sup>4</sup>

The Postal Service indicates that the agreement that is subject to this docket is scheduled to expire on August 31, 2015. The instant modification would extend the

---

<sup>1</sup> PRC Order No. 2665, Notice and Order Concerning Additional Global Reseller Expedited Package Contract 2, Negotiated Service Agreement, August 18, 2014.

<sup>2</sup> Notice of The United States Postal Service of Filing Modification to a Negotiated Service Agreement, August 13, 2015 (Notice).

<sup>3</sup> See Request of the United States Postal Service to Add Global Reseller Expedited Package Contracts to the Competitive Products List and Notice of Filing (Under Seal) of Contract and Enabling Governors' Decision, Docket Nos. MC2010-21 and CP2010-36, March 29, 2010 (Request).

<sup>4</sup> PRC Order No. 1746, Order Adding Global Reseller Expedited Package Contracts 2 to the Competitive Product List Negotiated Service Agreement, Docket Nos. MC2013-51 and CP2013-64, June 13, 2013.

prices and other terms of the original agreement approved in this docket to February 17, 2016. The original agreement was approved by the Commission in Order No. 2169.<sup>5</sup>

## COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the instant GREP Contracts 2 contract and the supporting financial model filed under seal that accompanied the Notice. Based upon that review, the Public Representative concludes that the instant contract modification should generate sufficient revenues to cover costs.

*Requirements of 39 U.S.C. § 3633.* 39 U.S.C. § 3633 requires that prices for competitive products must cover each product's attributable costs, not result in the subsidization of competitive products by market dominant products, and enable competitive products as a whole to contribute an appropriate share to the institutional costs of the Postal Service. In addition, the Commission requires that each contract included within a GREP product must cover its attributable costs.<sup>6</sup>

The Postal Service's financial model indicates that the negotiated prices in the instant contract should generate sufficient revenues to cover costs and the addition of the instant contract to the product should also satisfy 39 U.S.C. § 3633.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

---

Kenneth R. Moeller  
Public Representative

901 New York Ave. NW  
Washington, DC 20268-0001  
202-789-6888  
[Kenneth.moeller@prc.gov](mailto:Kenneth.moeller@prc.gov)

---

<sup>5</sup> Order Approving Additional Global Reseller Expedited Package Contracts 2 Negotiated Service Agreement, PRC Order No. 2169, August 26, 2014.

<sup>6</sup> Section 2510.7.1(d) of the draft Mail Classification Schedule, posted January 27, 2014, and updated through July 31, 2014.